



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

m/45/019

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March 18, 2002

Ms. Jennie Weible
IMM-Dworkin Holdings Ltd.
23205 Mercantile Road
Beachwood, Ohio 44122

Re: Permit Transfer Requirements, Reclamation Surety for Yellow Hammer Mine and Kiewit Zone Exploration Project, IMM Dworkin Holdings Ltd., M/045/019, and E/045/052, Tooele County, Utah

Dear Ms. Weible:

Thank you for your January 10, 2002 letter, wherein you provided information to support your request for release of the reclamation sureties being held by the Division for the Yellow Hammer and Kiewit Zone Exploration project. As you know, these sureties were originally filed with the Division by American Consolidated Mining Company (ACMC) and subsequently updated by Clifton Mining Company (CMC), the previous operator and owner of these properties. We acknowledge and sincerely appreciate your company's voluntary efforts in performing the recent reclamation of both sites. Your performance of reclamation of the sites has been an outstanding effort.

Subsequent to our receipt of your release request, we received a letter from Clifton Mining Company on March 4, 2002, also seeking release of these funds now that the reclamation has been performed. After careful review and consideration of all the documents submitted to support and justify your claim to the existing reclamation funds, we find insufficient legal basis to enable us to grant your request at this time. We are very sorry that we need to take a different direction in regard to reclamation bond release than earlier believed.

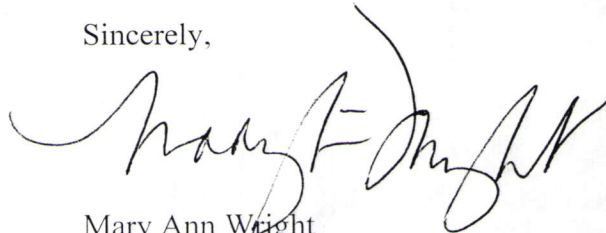
Rule R647-4-120, Transfer of Notice of Intention, states; *"the new mine operator will be required to post a new reclamation surety and must assume full responsibility for continued mining operations and reclamation."* Accordingly, before the Division can finalize our acceptance of the permit transfer documents filed for both the Yellow Hammer Mine and the Kiewit Exploration project, a \$9,100.00 reclamation surety must be filed to secure the revegetation success of the reclamation work performed on both of these reclaimed project areas

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Jennie Weible
M/045/019 & E/045/052
March 18, 2002

(surety estimate attached). Please contact Joelle Burns at (801) 538-5291 to notify us of the form of surety you choose to provide so we can send you the appropriate forms.

Thank you again for your cooperation and willingness to assume the responsibility for these sites. Please contact me at (801) 538-5306 if you have questions in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright". The signature is fluid and cursive, with a large, stylized initial "M" and "W".

Mary Ann Wright
Associate Director, Mining

jb
Attachment: Bond estimate
O:\M045 - Tooele\M045019\M045019-IMMbond2.doc

RECLAMATION SURETY ESTIMATE

IMM - Dworkin

Yellow Hammer/Clifton - IP Project - Kiewit

M/045/019 E/045/052

Prepared by Utah State Division of Oil, Gas & Mining

last revision

02/08/02

Tooele County

-This estimate uses a D8 size dozer for most earthwork

-This site has been recountoured and seeded - bond calculated for revegetation success only

Note: actual unit costs may vary according to site conditions

last unit cost update

2-Aug-00

-Amount of disturbed area which will receive reclamation treatments =

8.6 acres

-Estimated total disturbed area for this mine =

8.6 acres

Activity	Quantity	Units	\$/unit	\$	Note
Ripping recountoured areas prior to reseeding	8.6 acre		234	2012	
Mulching (2 ton/acre alfalfa)	0 acre		160	0	(00)
Fertilizing (100 lb/acre diammonium phosphate)	0 acre		90	0	(00)
Composted manure (10 ton/acre)	8.6 acre		300	2580	(00)
Broadcast seeding	8.6 acre		225	1935	(00)
Drill seeding	0 acre		205	0	(00)
Hydroseeding	0 acre		800	0	(00)
General site cleanup & trash removal	0 acre		50	0	(00)
Equipment mobilization	1 equip		1000	1000	(00)
10% Contingency	Subtotal			7,527	
				753	
Escalate for 3 years at 3.12% per yr	Subtotal			8,280	
				799	
	Total			\$9,080	
Average cost per disturbed acre =	Rounded surety amount in yr 2005-\$			\$9,100	
	\$1,058				